

**SECRET**

15 JAN 46  
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CENTRAL INTELLIGENCE AGENCY  
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15 January 1946

Memorandum for: Mr. Jack D. Neal  
Department of State  
Subject: South American Diplomats employed  
by the German Intelligence Services

1. Attached for your interest is a report adapted from the interrogation of Walter SCHELLENBERG, dated 12 July 1945, concerning South American diplomats employed by the German I.S.
2. This information, as far as we can ascertain, has not been made available to any representatives of the State Department.

FOR COORDINATION WITH

State  
Army

Franklin P. Holcomb  
Major, USMCR  
Liaison Officer

HOLCOMB: HOLLAND  
SOURCE: Memo from Tully 9 Jan.

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**SECRET**

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South American Diplomats Employed by the German Intelligence

Services

Many South American diplomatic officials stationed in Berlin during the war were recruited there by members of the two principal German agencies concerned with foreign intelligence, the Security Service of the RSHA (HIMMLER's organization), and also the branch which purveyed intelligence to the Wehrmacht. The South Americans so recruited, when transferred to other capitals, worked as paid collaborators for one or the other of these German services.

*at Buenos Aires*  
*at Berlin*  
(Sr) Eduardo CEBALLOS, Argentine Naval Attache at Madrid, was among others who worked for the German Security Service. His superiors were Karl ARNOLD, the Madrid chief of the Western Hemisphere section, and Reinhardt SPIEL, representative in Spain of the SAODA Works. *Spain*

*at Berlin*  
In Lisbon a diplomatic official referred to as MONTE was in German pay. The informant thought, but was not certain, that MONTE was a Chilean. (Note: Arturo ALVAREZ MONTENEGRO, First Secretary to the Argentine Legation at Lisbon, is known to have had contact with enemy agents, and may possibly be the person called MONTE by the Germans.) *Germany*

*at Berlin*  
In the Berlin headquarters of the Security Service, it was an officer named Kurt GROSS who dealt with the members of South American missions. The procedure employed to win them over was to encourage them in various ways to live beyond their means. Through a fashionable Berlin bar, the Security Service was provided with women who associated with the South Americans and induced them to spend money beyond what they could afford. Once in debt, the South American officials readily accepted financial considerations. All such officials enlisted by the Security Service did in fact receive money, for which, in return, they supplied the Security Service with intelligence reports. *Germany*

*Will send to you for G13*

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